

"(A) to provide 1 or more statements required by the last sentence of section 408(i) shall pay a penalty of \$50 for each day on which such failures continue, or
"(B) to provide 1 or more summary

descriptions required by section 408(1)(2)(B) shall pay a penalty of \$50 for each day on which such failures continue.

"(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection with respect to any failure which

the taxpayer shows was due to reasonable cause."

(5) REPORTING REQUIREMENTS.—

(A) Section 408(1) is amended by adding at the end the following new paragraph:

"(2) SIMPLE RETIREMENT ACCOUNTS.—

"(A) No EMPLOYER REPORTS.—Except as provided in this paragraph, no report shall be required under this section by an employer maintaining a qualified salary reduction arrangement under subsection (n).

"(B) SUMMARY DESCRIPTION.—The trustee of any simple retirement account established pursuant to a qualified salary reduction arrangement under subsection (n) shall provide to the employer maintaining the arrangement each year a description containing the following information:

"(i) The name and address of the employer and

the trustee.

"(ii) The requirements for eligibility for participation.

"(iii) The benefits provided with respect to the arrangement.

"(iv) The time and method of making elections with respect to the arrangement.

"(v) The procedures for, and effects of, withdrawals (including rollovers) from the arrangement.

"(C) EMPLOYEE NOTIFICATION.—The employer shall

notify each employee immediately before the period for which an election described in subsection (n)

(5)(C) may be made of the employee's opportunity to make such election. Such notice shall include a copy of the description described in subparagraph (B)."

(B) Section 408(1) is amended by striking "An employer" and inserting the following:

"(1) IN GENERAL.—An employer"

(6) REPORTING REQUIREMENTS.—Section 408(i) is amended by adding at the end the following new flush sentence:

"In the case of a simple retirement account under subsection (n), only one report under this subsection shall be required to be submitted each calendar year to the Secretary (at the

time provided
under paragraph (2)(b) but, in addition to the report
under this
subsection, there shall be furnished, within 30 days
after each
calendar year, to the individual on whose behalf the
account is
maintained a statement with respect to the
account balance as
of the close of, and the account activity during,
such calendar
year."

(7) EXEMPTION FROM TOP-HEAVY PLAN RULES. — Section
416(g)(4) (relating to special rules for top-heavy plans)
is
amended by adding at the end the following new
subparagraph: